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Private Fundraising and Partnerships: 2023 workplan and proposed budget

Summary

The present report provides an overview of the Private Fundraising and Partnerships (PFP) workplan and proposed budget for 2023. The workplan and proposed budget describes the financial and non-financial activities and results to be achieved and the resources required by PFP in 2023. The workplan and proposed budget are aligned with the UNICEF Strategic Plan, 2022–2025 and the UNICEF integrated budget, 2022–2025.

Elements of a decision for consideration by the Executive Board are provided in section VII.

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I. Overview

1. The Division of Private Fundraising and Partnerships (PFP, or ‘the Division’) coordinates and provides global guidance and support to the National Committees for UNICEF and UNICEF country offices in all private sector fundraising (PSFR) and private sector engagement and partnership activities, in cooperation with UNICEF regional offices and other headquarters divisions.
2. The workplan and proposed budget for PFP are submitted to the Executive Board yearly for its consideration and approval.
3. In 2022, the global community faced multiple complex challenges stemming from the war in Ukraine, the climate crisis, and the prolonged effects of the global coronavirus disease (COVID-19) pandemic. Despite these challenges, UNICEF was able to continue to nurture engagement with its private sector partners. The latest estimates indicate that revenue in 2022 will total an estimated \$2.5 billion, which will be \$883 million (54 per cent) higher than the plan for 2022 and \$454 million (22 per cent) higher than actual revenue in 2021.
4. In 2022, revenue from the private sector is projected to contribute \$650 million to regular resources (RR) revenue and \$1.9 billion to other resources (OR) revenue, including other resources emergency (ORE) revenue of \$979 million.
5. The Division, together with the 33 National Committees for UNICEF and 21 UNICEF country offices, aims to generate income and influence at scale from the private sector to contribute to the delivery of results established in the UNICEF Strategic Plan, 2022–2025, based on the following six strategic priorities:
 - (a) scaling up digital fundraising;
 - (b) optimizing major donor engagement through income, and by leveraging their voices, investments and expertise;
 - (c) developing effective strategies for fundraising growth in new markets;
 - (d) continuing to mainstream working with business to deliver results for children, to generate income and to leverage non-financial resources, such as innovation, expertise and core assets;
 - (e) scaling up financing for children;
 - (f) contributing to strengthened engagement by UNICEF in high-income countries.
6. The PFP workplan for 2023, the second year of Strategic Plan implementation, includes four outcomes:
 - (a) Sustainable private sector income growth is diversified and further accelerated to raise \$8.3 billion in net private sector revenue, of which \$3.1 billion is RR, from 2022 to 2025;
 - (b) Engagement and investment with private sector stakeholders enhances systems, services and practices for children and young people at scale;
 - (c) Income and influence at scale for children and young people is accelerated through the public and private sectors working together on financing, leveraging and advocacy efforts;
 - (d) The PFP business model enables effective partnership and engagement to accelerate income and influence for children and young people.

7. Total private sector revenue is projected to reach \$1.87 billion in 2023, a decrease of \$663 million (or 26 per cent) from the latest estimates for 2022. Revenue projections for ORE have been increased compared to the 2022 budget, as emergency support is expected to continue.

8. To achieve these outcomes and aligned with the UNICEF integrated budget 2022–2025, PFP proposes a total budget of \$240.9 million for 2023, comprising \$160.3 million funded by RR special purpose, \$66.0 million funded by OR special purpose and an institutional budget of \$14.5 million.

II. Major progress made in 2022

9. The year 2022 coincided with the first year of implementation of the new UNICEF Strategic Plan. Following a year of unprecedented successes in PSFR and engagement, in 2022, PFP, the National Committees for UNICEF and UNICEF country offices with structured PSFR operations and new markets are expected to continue to deliver the necessary resources to achieve results for the world's children.

10. Total private sector revenue is estimated to be \$2.5 billion, which is \$883 million (54 per cent) above the 2022 budgeted goal and \$454 million (22 per cent) more than the 2021 actual revenue. Private sector revenue is projected to contribute \$650 million to RR in 2022. This is mainly driven by increased projected OR contributions, while RR is projected to decrease. This is \$144 million (18 per cent) less than the 2022 RR goal of \$794 million and \$106 million (14 per cent) less than the 2021 actual RR revenue. The decrease in RR contributions is predominantly due to significant strengthening of the United States dollar against major fundraising currencies like the Euro, Japanese yen, Korean won, Swedish krona and United Kingdom pound sterling. In addition to the foreign exchange fluctuations, a significant proportion of funding has been directed to humanitarian appeals.

11. The private sector OR contribution in 2022 is estimated at \$1.88 billion. This is \$1.03 billion (120 per cent) more than the 2022 budgeted goal of \$855 million and \$559 million (42 per cent) more than the 2021 actual OR revenue. The OR revenue includes contributions to emergencies that is projected at \$979 million in 2022, an \$814 million (493 per cent) increase over the 2022 budgeted figure of \$165 million and \$439 million (81 per cent) more than the 2021 actual revenue. This growth was the result of mobilization efforts by PFP to pursue emergency needs at scale for humanitarian crises such as Afghanistan, the Horn of Africa and Ukraine.

12. The estimated PFP expenditure for 2022 is \$276.9 million as at 1 October 2022, compared with an approved budget for operating expenditure and investment funds of \$267.1 million, mainly driven by the projected increase in OR special purpose expenditure. The use of the RR-funded special purpose budget, including investment funds, is projected to be \$157.6 million, which is 100 per cent of funds allocated to PFP to maximize investment in revenue generation. Projected OR expenditure is \$108.5 million compared with the \$96.0 million ceiling approved for 2022. This increase is due to the exceptional results achieved by UNICEF country offices, which are predicted to raise \$375.1 million, which represents \$73.4 million, or 24 per cent more than projected for 2022. As a result, UNICEF country offices were able to increase their investments in fundraising.

13. In 2022, PFP and the Information and Communication Technology Division (ICTD) continued to deliver on the strategic plan for roll-out of the digital fundraising platform of the supporter engagement strategy, which will increase supporter retention, conversion into donors and efficiency in operations. Following its deployment in Colombia in 2021, the core package configuration for the supporter engagement strategy digital platform was deployed in two additional UNICEF

country offices and one virtual hub at headquarters, which will service country offices with structured PSFR operations and new markets.

14. The Division continued to collaborate with the UNICEF Programme Group to build country office capacity to engage with businesses. To enhance the sustainability and institutionalization of Business for Results capacity-building, content is being integrated into existing learning and programme planning processes. In addition, PFP has been positioning advocacy with business as the approach under the influence part of the “income + influence = impact” narrative to engage with business to build their awareness and capacity to take action, as well as partner with business to use its influence on their peers, employees, Governments, customers, suppliers and the public to support UNICEF and results for children.

Table 1
Statement of revenue and expenditure
2021 actual results, 2022 approved budget, 2022 latest estimates and 2023 proposed budget
(in millions of United States dollars^a)

	2021 actual			2022 approved			2022 latest estimates			2023 proposed		2023 vs. 2022 approved		
	Regular resources (RR)	Other resources (OR)	Total	RR	OR	Total	RR	OR	Total	RR	OR	Total	Amount	Percentage
Private sector revenue														
Revenue from greeting cards and products	2.2	–	2.2	5.0	–	5.0	–	–	–	–	–	–	(5.0)	-100%
Private sector fundraising contributions	752.9	1 323.0	2 075.9	788.7	855.1	1 643.8	649.5	1 882.2	2 531.7	758.2	1 110.8	1 869.0	225.2	14%
National Committees	714.8	1 040.8	1 755.6	749.5	592.6	1 342.1	622.3	1 534.3	2 156.6	728.4	791.5	1 519.9	177.8	13%
Country offices	38.1	282.2	320.3	39.2	262.5	301.7	27.2	347.9	375.1	29.8	319.3	349.1	47.4	16%
Other revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total private sector revenue	755.1	1 323.0	2 078.1	793.7	855.1	1 648.8	649.5	1 882.2	2 531.7	758.2	1 110.8	1 869.00	220.2	13%
Private Fundraising and Partnerships (PFP) expenditures														
A. Development effectiveness costs	4.1	–	4.1	4.9	–	4.9	4.1	–	4.1	5.0	–	5.0	0.1	3%
National Committee relations	4.1	–	4.1	4.9	–	4.9	4.1	–	4.1	5.0	–	5.0	0.1	3%
B. Management costs	7.6	–	7.6	8.7	–	8.7	6.7	–	6.7	9.5	–	9.5	0.9	10%
Director's Office and Strategic Planning	1.5	–	1.5	1.6	–	1.6	1.5	–	1.5	1.7	–	1.7	0.1	3%
Operations and Finance	6.1	–	6.1	7.0	–	7.0	5.2	–	5.2	7.8	–	7.8	0.8	12%
C. Special purpose costs	150.9	77.4	228.3	157.6	96.0	253.6	157.6	108.5	266.1	160.3	66.0	226.3	(27.3)	-11%
Private sector fundraising and partnerships	32.3	0.3	32.6	40.9	1.0	41.9	41.2	1.7	42.9	42.4	2.0	44.4	2.5	6%
Country office support ^a	6.1	–	6.1	7.6	–	7.6	8.8	–	8.8	8.4	–	8.4	0.8	10%
Country office direct fundraising costs	2.0	61.3	63.3	3.0	58.0	61.0	2.2	70.8	73.1	3.0	64.0	67.0	6.0	10%
Communication and marketing	9.7	–	9.7	11.2	–	11.2	9.0	–	9.0	12.1	–	12.1	0.9	8%
Procurement	1.1	–	1.1	1.5	–	1.5	1.2	–	1.2	1.6	–	1.6	0.1	4%
Engagement with private sector, including advocacy and development finance	7.1	0.4	7.5	8.4	1.0	9.4	6.4	–	6.4	7.9	–	7.9	(1.5)	-16%

	2021 actual			2022 approved			2022 latest estimates			2023 proposed			2023 vs. 2022 approved	
	Regular resources (RR)	Other resources (OR)	Total	RR	OR	Total	RR	OR	Total	RR	OR	Total	Amount	Percentage
Investment in fundraising	92.6	15.4	108.0	85.0	36.0	121.0	88.6	36.0	124.6	85.0	–	85.0	(36.0)	-30%
Total PFP expenditures	162.6	77.4	240.0	171.1	96.0	267.1	168.3	108.5	276.9	174.9	66.0	240.9	(26.2)	-10%
Licensing/sales expenditures of National Committees	0.3	–	0.3	0.7	–	0.7	–	–	–	–	–	–	(0.7)	-100%
Impairment	–	0.1	0.1	–	–	–	–	–	–	–	–	–	–	0%
Net private sector surplus	592.2	1 245.5	1 837.7	621.9	759.1	1 381.0	481.2	1 773.7	2 254.8	583.3	1 044.8	1 628.1	247.1	18%

^a Country office support costs include the Country Office Development and Support Unit and regional support centres.
Due to rounding, the numbers presented in the document may slightly differ from those in this table.

III. Private sector fundraising in the Strategic Plan, 2022–2025

15. To contribute to delivering results for children, as outlined in the UNICEF Strategic Plan, 2022–2025, PFP, together with National Committees and country offices, aims to generate income and influence at scale from the private sector through accelerating engagement, investment and partnerships with the private sector; influencing the public and private sectors to work together on financing, leveraging and advocacy for children; and driving an agile and enabling business model.

16. The Division, together with the 33 National Committees for UNICEF and 21 UNICEF country offices, aims to generate income and influence at scale from the private sector to contribute to the delivery of results established in the UNICEF Strategic Plan, 2022–2025, based on the following six strategic priorities:

- (a) scaling up digital fundraising;
- (b) optimizing major donor engagement through income, and by leveraging their voices, investments and expertise;
- (c) developing effective strategies for fundraising growth in new markets;
- (d) continuing to mainstream working with business to deliver results for children, to generate income and to leverage non-financial resources, such as innovation, expertise and core assets;
- (e) scaling up financing for children;
- (f) contributing to strengthened engagement by UNICEF in high-income countries.

A. Digital fundraising

17. In 2022, PFP experienced a massive surge in new donors and increased giving from existing donors, who responded with urgency to the needs of the Ukrainian people. This was possible in large part due to investments made in digital capabilities over the last few years. The nurturing of these donors into long-term supporters and the ability to continue providing a high-quality donor experience continue to require investment – in people, processes and technology.

18. The Division will continue to utilize the UNICEF donor database to gain insights that can help fundraisers to solicit better quality donors. New approaches to technology and new platforms will be adopted to provide a holistic view of the donor and to drive the integration of campaigns that can be supported by a tailored donor experience. Content will be created that provides a customized experience based on what the donors value most and will be delivered through digital channels. As data are used in new ways, capacities are being built in lockstep to ensure that data and data privacy are protected.

19. This transformation will also increase integration and alignment between the UNICEF Division of Global Communication and Advocacy, ICTD and PFP, leveraging expertise and assets across the organization to accelerate digital transformation and providing the platform for step change.

20. For a more efficient and faster roll-out of the supporter engagement strategy, PFP will continue to work closely with ICTD to ensure seamless delivery and enhanced support for National Committees and country offices that are adopting the new supporter engagement strategy core technology platforms and systems.

B. Major donors

21. In the Strategic Plan period, 2022–2025, a goal is to maximize the impact and effectiveness of private philanthropists to advance children’s rights and well-being through establishing meaningful and effective relationships with them.

22. Communicating the role of UNICEF in emergencies and humanitarian action has been an important aspect of recent success, and continuing to position its clear comparative advantage in the philanthropic market will be key to the organization’s further success. To do this, customized support will be dedicated to the top five fundraising markets, and major donor programmes will be developed in five National Committees with significant market potential.

23. At the global level, multi-year engagement plans will be developed for the top prospects using a targeted approach. The UNICEF International Council (donors giving a minimum of \$1 million) will grow to over 150 members during the Strategic Plan period and a global community of major gift officers will be created.

C. New markets

24. To fulfil the UNICEF universal mandate to protect and promote children’s rights everywhere, PFP will support new markets with the greatest PSFR opportunities that are transitioning from middle- to high-income status, while also helping existing markets to sustain and grow flexible PSFR revenue for programmes globally. To this end, the Division is currently rolling out an implementation road map aiming at:

(a) Developing a sustainable investment model to invest in PSFR in country offices;

(b) Creating a cost-effective and adequate support system to develop and ensure oversight for PSFR in country offices;

(c) Developing a financial sustainability and viability model for country offices transitioning from a middle- to high-income country context;

(d) Creating sustainable and healthy markets for PSFR and related services and products.

25. All country offices with existing PSFR operations will have the resources and capacity to continue pursuing full financial sustainability of their programmes in-country and globally. The Division will also continue to lead cross-divisional collaboration to support the financial sustainability of country programmes in emerging high-income countries. More specifically, country offices will be supported with investments to develop and grow PSFR whenever there is evidence of high fundraising potential. For countries with more limited fundraising potential, where a business case has been articulated to develop fundraising in support of country programme financial stability in the longer term, the Division will promote the establishment of multi-country operations to enable effective and efficient fundraising and donation processing. Significantly underfunded programmes in such countries will also be provided access to regional pooled funds. The multi-country approach known as ‘PSFR clusters’ will be implemented to optimize income generation and strengthen funding predictability for the selected countries. Each PSFR cluster will have a single management and staffing structure.

D. Engaging with business

26. The Strategic Plan, 2022–2025, has placed particular importance on leveraging businesses to achieve the Sustainable Development Goals, and included Business for Results as an organizational change initiative. Business for Results aims to develop

UNICEF capacity to engage and unleash the untapped potential of businesses to bring about transformative change for children. Building on its existing experience and knowledge, UNICEF is shifting the organization to leverage the full spectrum of engagement and partnership approaches, which involve:

(a) working with business to access income, influence, innovation, data, expertise, market shaping and the social impact of the business sector;

(b) influencing business practices that impact children, working with business coalitions, state and private sector business influencers, as well as individual businesses.

27. The Programme Group and PFP co-lead the Business for Results initiative across UNICEF. The respective teams work with senior leadership in programme and planning across headquarters divisions, regional and country offices to embed business for results in programming and partnership approaches. This vision is operationalized through joint results indicators, reflecting the cross-divisional commitment in the Strategic Plan, as well as in the respective office management plans of PFP and the Programme Group.

28. A private sector influence strategy covering private sector engagement in programme countries and with the National Committees has been developed. The strategy adopts an integrated approach to resource mobilization and influence and considers how comprehensive engagement of partners, including advocacy with business, contributes to resource mobilization and global advocacy priorities, to achieve sustainable outcomes for children at scale.

E. Financing for children

29. UNICEF is uniquely positioned to mobilize financing for children because of its private sector resource mobilization network, which includes National Committees and UNICEF country offices, combined with strong partnerships with public finance organizations, international financial institutions and Governments, including the members of the UNICEF Executive Board.

30. The UNICEF approach to innovative finance has been further described in the background paper entitled “Update on the strategic approach to alternative/innovative finance” (UNICEF/2022/EB/5), which was presented to the Executive Board at its first regular session of 2022.

31. Based on previous successes and market conditions, innovative finance will focus on specific high-impact funding mechanisms, including an outcome funding model for polio; a holistic climate change risk financing platform; impact fund partnerships; and the expansion of the UNICEF USA Bridge Fund financing to National Committees and country offices.

F. Results for children in high-income countries

32. The Convention on the Rights of the Child and the Sustainable Development Goals have set the benchmarks for UNICEF to deliver results for all children. In line with its universal mandate, UNICEF will continue to focus on children in the low-income countries that are most in need, as well as contribute to influencing results for children in all high-income countries.

33. UNICEF will continue to facilitate learning from good practice and knowledge-sharing across all high-income countries. The Division will continue to offer integrated support to National Committees on their advocacy activities, identifying the appropriate expertise within UNICEF, as needed. Country offices and National

Committees in high-income countries will continue to be supported to enhance fundraising capability and leverage opportunities, in full respect of the commitment to prioritize the mobilization of resources in support of results for children in low-income countries.

34. The changes incorporated in the joint strategic planning mechanism between UNICEF and the National Committees will be assessed and reinforced after the first year of implementation, with PFP convening the relevant UNICEF divisions and teams to facilitate policy alignment and quality assurance. UNICEF will further explore and analyse the linkages between successful domestic advocacy and the ability to better leverage resources, to strengthen the evidence base on what works and why.

IV. Key expected results for 2023

35. The Division developed four outcome results in its office management plan for the Strategic Plan period, 2022–2025, to drive the six strategic priorities and to generate income and influence at scale from the private sector for children. This section describes the specific activities and results to be achieved in 2023 under each outcome.

Outcome 1

Sustainable private sector income growth is diversified and further accelerated to raise \$7.2 billion in private sector revenue from 2022 to 2025, of which \$3.4 billion will be regular resources, for the UNICEF contribution to achievement of the Sustainable Development Goals.

36. The Division plans to raise \$1.18 billion in revenue from individual donors in 2023, comprising \$826 million from pledge donors, \$237 million from cash donors and \$115 million from legacies. This will be achieved, based on the digital fundraising strategy, by acquiring new individual donors and retaining existing ones, as well as by building personal donor relationships. The Division will work with National Committees and country offices to engage with 11.7 million individual donors in 2023, of which some will be new, acquired through various digital and other activations. These will include pledge donors, cash donors and people who have expressed an interest in leaving a legacy donation to UNICEF.

37. The Division is aiming to raise revenue of \$220 million from philanthropists and membership-based organizations in 2023, comprising \$105 million from at least 230 mid- and major-level donors (donors giving above \$10,000 and above \$100,000, respectively), and \$115 million from at least 86 faith- and membership-based partnerships. While retaining and uplifting its current major donor relationships and faith- and membership-based partnerships, PFP will focus on acquiring new major donors, including from diasporas, with the support of peer-to-peer engagement and by developing attractive global propositions that offer true partnership to ultra-high-net-worth individuals.

38. The Division is aiming to raise revenue of \$201 million in 2023 from foundations that align with the UNICEF mission and goals. It will achieve this through prospecting for new strategic partnerships and renewal of existing ones and active engagement in existing foundation-led coalitions, including a multi-stakeholder partnership on child wasting with key foundations, along with a range of public sector actors.

39. The Division is aiming to raise revenue of \$243 million from businesses in 2023. This will be achieved by PFP, together with National Committees and country offices,

scanning the market, creating a pipeline of potential prospects that can drive the greatest impact for children, and securing high-value, multi-year corporate partnerships. The Division aims to leverage UNICEF emergency fundraising performance in recent years, develop long-term proposals to grow existing corporate partnerships across geographies or channels, and to bring about a step change in the long-term growth of the corporate fundraising programme. To maximize results for children, the PFP corporate partnerships team will remain focused on driving, growing and renewing partnerships. In particular, deliberate investment will be made to exponentially grow a subset of corporate partnerships through the sleeping giants strategy. ‘Sleeping giants’ are the small number of existing corporate partners with an estimated capacity to give \$20 million or more over 3 to 4 years. The team will play a critical role in facilitating the retention of existing income while targeting opportunities for exponential expansion within identified sleeping giants.

40. In addition to the specific activities for philanthropists and membership-based organizations, foundations and businesses outlined in the previous paragraphs and also as a part of the major donors strategy, PFP and key National Committee and country office fundraising markets and private sector partners have co-developed a strategy to engage billionaires who have the most influence globally for children.

41. To support the high-value strategies in engaging donors in long-term partnerships, PFP is developing proposals around key global problems that UNICEF through its programmatic and advocacy work, and the private sector can play a role in solving. The Division has selected three areas: the climate crisis, strengthening of health systems and using digital education to close the learning deficit. The Division will pilot showcasing its work in these areas to high-value audiences and ask them to work with PFP to have a global impact.

Outcome 2

The spectrum of engagement and investment with private sector stakeholders enhances systems, services and practices for children and young people at scale.

42. The Division is aiming to engage 22.8 million individuals to support children’s rights and thus be on the road to giving. Using insights to drive action for the UNICEF mission and global priorities, PFP has deployed marketing and engagement strategies, key messages and content for improved supporter experiences in National Committee and PSFR markets. In 2023, PFP will continue the supporter engagement strategy project deployment in high-risk and high-potential markets, as well as in National Committees through an available implementing partner. Four country offices will finish project deployment in early 2023, with 12 more countries in the pipeline. A strategy to accelerate delivery is being implemented by PFP and ICTD, with intense intervention planning and inclusion of markets with a high level of readiness for the project. To sustain growth, PFP will build a community of practice to share and exchange supporter-centric expertise and to grow the capacity of markets to reach, engage, convert and cultivate individuals through enhanced supporter experience and satisfaction as donors, volunteers and advocates.

43. The supporter engagement strategy virtual hub at headquarters is a global channel that allows country offices with structured PSFR and new markets to take advantage of the core functionalities.

44. The Division will identify and negotiate global opportunities and support country offices and National Committees to leverage business sector expertise, innovation, data and core assets to accelerate results for children. Clear outcomes and recognition processes will be established to acknowledge investment by UNICEF offices and National Committees for non-financial engagement with private sector

partners. Global metrics will be developed to measure the value and impact of the private sector in accelerating results for children. This work will be coordinated between headquarters divisions, regional and country offices and National Committees.

45. The Division will provide key influencers and foundations with clear advocacy messages on child rights issues and concerns, to leverage finance and domestic budgets in support of children's well-being and sustainable development. The Division will lead strategic engagement with multi-stakeholder platforms to leverage their reach and impact to address issues affecting children through advocacy, engagement, investment, collective action and public-private collaboration. This includes strengthening internal systems for responsive global relationship management and harnessing global platforms convened by UNICEF.

46. Jointly with the Programme Group, PFP will engage with the world of business to achieve results for children, contributing specialist knowledge and expertise on children's rights and responsible business conduct; innovations on business engagement in programmes; at-scale approaches to mobilizing the business world for children through regulation, policy and multi-stakeholder platforms; and developing and maintaining high-value corporate partnerships. In addition, PFP will co-lead, with the Programme Group, the roll-out of the Business for Results initiative across UNICEF.

Outcome 3

Income and influence at scale for children and young people are accelerated through the public and private sectors working together on financing, leveraging and advocacy efforts.

47. In 2022, implementation of the streamlined Joint Strategic Plan platform began. The platform aims to simplify and improve the mandatory collaborative planning process between UNICEF and the National Committees. The Division ensured smooth roll-out of the revised Joint Strategic Plan to all 33 National Committees. It supported strengthening the governance framework and practice, including in the context of the Joint Strategic Plan and efforts by the National Committees to influence policies and practices from the public and private sector, and supported the adoption of new child safeguarding commitments endorsed by all National Committees. In addition, PFP brought together National Committees and key UNICEF divisions to discuss the revised UNICEF policies and guidance on programming in high-income countries. This was followed by bilateral 'deep dives' between UNICEF and National Committees to review and strengthen the respective country strategies. Complementary guidance on fundraising for domestic work and the monitoring and evaluation framework is expected to be finalized and disseminated to National Committees in early 2023. The latter will support the National Committees to better capture their contributions to the Strategic Plan, 2022–2025, both in terms of income and influence.

48. In 2023, PFP will focus on:

(a) continued improvement of Joint Strategic Plan processes and strengthening of the linkages to other relevant UNICEF divisions;

(b) better alignment between practice and guidance and the governance framework for the UNICEF-National Committee partnership, including through Joint Strategic Plan processes, knowledge and capacity-building activities, and update of relevant instruments, including those supporting alignment and coordination at the country level;

(c) strengthened advocacy and complementary strategies and improved monitoring and reporting by National Committee, supported by relevant UNICEF divisions;

(d) strengthened implementation of the principles of good governance for National Committees, including progress on child safeguarding;

(e) contributions to effective operationalization of the Cooperation Agreement between UNICEF and National Committees, taking a risk-informed approach to optimizing opportunities in support of the goals for income and influence.

49. Based on the innovative finance for children (IF4C) strategy (see [UNICEF/2022/EB/5](#)), PFP will implement innovative financial mechanisms strategically, at the most feasible scale and speed required to achieve sustainable results for children everywhere, particularly the most vulnerable. The Division will drive income and influence by developing catalytic public and private partnerships and financing instruments with private sector investors, philanthropists and multilateral donors.

50. The UNICEF IF4C strategy has the goal of redirecting and influencing \$20 billion of the total environmental, social and governance/impact investing market towards child-aligned priorities over the period 2022–2025. This broader four-year goal includes leveraging a cumulative \$3 billion of additional new investments in UNICEF-driven IF4C solutions for children, approximately \$500 million of which will flow through the UNICEF system.

51. In 2023, IF4C will focus on priority fast-track initiatives, including an outcome funding model for polio; an insurance-linked security product for the response to natural disasters; a private equity/debt impact fund with a child lens, and the expansion of the UNICEF USA Bridge Fund.

Outcome 4

The UNICEF business model enables effective partnership and engagement to accelerate income and influence for children and young people.

52. The PFP business model, and its contribution to efficient and effective performance by UNICEF, will be driven by the senior leadership and by fit-for-purpose, cross-cutting enabling functions, including finance and operations; strategic planning and monitoring; and programme coordination and content. Strategic governance of internal communication channels and staff engagement products will continue to be implemented to amplify and promote UNICEF work with the private sector while providing guidance and advice on leadership communication to PFP staff globally. There will be a continued strengthened focus on digital workplace initiatives for effective knowledge exchange, improved collaboration and increased efficiencies, as well as the management and maintenance of the integrated and collaborative private sector intranet site.

53. The Division will drive optimization and use of the common governance framework for the UNICEF-National Committee relationship and cooperation, implementation of the principles of good governance for National Committees, as well as alignment to the UNICEF child safeguarding policy, procedures and standards. The Division will provide support to country offices, including those with structured PSFR operations and new markets, to integrate income and influence strategies into country programme documents, office accountabilities and management structures.

54. Based on the PFP people first principle, to support the Division’s workforce to be motivated and engaged throughout the ‘future proof initiative’ change management

process, an evolving human resources supporter strategy and ongoing recruitment, learning and development efforts will be implemented, together with effective and efficient management of the employment life cycle across all contract modalities. Knowledge and insights will be generated and deployed effectively, innovatively and broadly, sharing good practices from within UNICEF and from business. In collaboration with other divisions, National Committees and regional and country offices, PFP will work to support markets to adopt and adapt good practices to improve their performance.

Table 2
Proposed budget, by expected results, 1 January–31 December 2023
(in millions of United States dollars)

<i>Expected results</i>	<i>Resource requirements</i>		
	<i>Regular resources</i>	<i>Other resources</i>	<i>Total</i>
Special purpose	160.3	66.0	226.3
Outcome 1: (Income): Sustainable private sector income growth is diversified and further accelerated to raise \$7.2 billion in private sector revenue from 2022 to 2025, of which \$3.4 billion will be regular resources, for the UNICEF contribution to achievement of the Sustainable Development Goals	124.8	66.0	190.8
Output 1.1: Market development	15.9	–	15.9
Output 1.2: Income from pledge and cash donors	95.9	64.0	159.9
Output 1.3: Income from legacy donors	0.8	–	0.8
Output 1.4: Income from philanthropists and membership-based organizations	3.1	–	3.1
Output 1.5: Income from foundations	2.8	–	2.8
Output 1.6: Income from business	6.4	2.0	8.4
Outcome 2: (Influence): The spectrum of engagement and investment with private sector stakeholders enhances systems, services and practices for children and young people at scale	6.3	–	6.3
Output 2.1: Influence from individuals	0.3	–	0.3
Output 2.2: Influence from key influencers – leveraging assets	0.7	–	0.7
Output 2.3: Influence from key influencers – leveraging voice and finance	0.3	–	0.3
Output 2.4: Influence from business stakeholders	4.9	–	4.9
Outcome 3: (Income and influence from public and private): Income and influence at scale for children and young people are accelerated through the public and private sectors working together on financing, leveraging and advocacy efforts	2.5	–	2.5
Output 3.1: Programming in high income countries	1.2	–	1.2
Output 3.2: Development finance	1.3	–	1.3
Outcome 4: (Cross-cutting enablers): UNICEF business model enables effective partnership and engagement to accelerate income and influence for children and young people.	26.7	–	26.7
Output 4.1: Agile and responsive business model	8.3	–	8.3
Output 4.2: Internal communication and staff engagement	2.7	–	2.7
Output 4.3: Decentralized and empowered governance and oversight	1.5	–	1.5
Output 4.4: Dynamic people and inclusive culture	1.0	–	1.0
Output 4.5: Brand and marketing	8.0	–	8.0
Output 4.6: Evidence and knowledge management – Data, market and business intelligence	5.2	–	5.2
Development effectiveness	5.0	–	5.0
Outcome 3: (Income and influence from public and private): Income and influence at scale for children and young people are accelerated through the public and private sectors working together on financing, leveraging and advocacy efforts.	0.3	–	0.3
Output 3.1: Programming in high-income countries	0.3	–	0.3

<i>Expected results</i>	<i>Resource requirements</i>		
	<i>Regular resources</i>	<i>Other resources</i>	<i>Total</i>
Outcome 4: (Cross-cutting enablers): UNICEF business model enables effective partnership and engagement to accelerate income and influence for children and young people	4.7	–	4.7
Output 4.3: Decentralized and empowered governance and oversight	4.7	–	4.7
Management	9.5	–	9.5
Outcome 4: (Cross-cutting enablers): UNICEF business model enables effective partnership and engagement to accelerate income and influence for children and young people	9.5	–	9.5
Output 4.1: Agile and responsive business model	9.3	–	9.3
Output 4.4: Dynamic people and inclusive culture	0.3	–	0.3
Total proposed budget for achieving results	174.9	66.0	240.9

The numbers may not add up due to rounding.

V. Revenue and expenditure projections for 2023

A. Planning methodology

55. The format and presentation of the PFP proposed budget is aligned with the UNICEF integrated budget, 2022–2025. The activities and results of PFP support the achievement of UNICEF development effectiveness, management and special purpose results.

56. The PFP expenditures under the development effectiveness and management categories were approved by the Executive Board at its second regular session in September 2021 as part of the UNICEF integrated budget, 2022–2025. The PFP expenditures budgeted under the special purpose category in 2023 are presented to the Board for approval in this submission.

57. Three revenue and expenditure scenarios are presented to the Executive Board: low, medium, and high (see table 3). The medium, or most realistic, scenario, is based on information received from the fundraising markets in October 2022, exchange-rate projections, the assumption that part of the 2022 giving to ORE will be sustained and the successful implementation of the strategies previously described. The Executive Board is requested to authorize PFP to incur expenditures in line with the medium scenario, and to increase or reduce expenditures should the high or low revenue levels, respectively, be reached.

B. Revenue

58. Total private sector revenue is projected to reach \$1.87 billion in 2023 using projected exchange rates. This represents an increase of \$220.2 million (or 13 per cent) compared with the approved revenue for 2022 and a decrease of \$662.7 million (or 26 per cent) from the latest estimates for 2022.

59. The total revenue projection for 2023 is based on information provided by National Committee and country office PSFR markets in conjunction with the development of the UNICEF Strategic Plan, 2022–2025. It includes projected RR revenue of \$758.2 million, which represents a decrease of \$35.5 million (4 per cent) compared to the original total revenue projections for 2022, and an increase of \$108.7 million (17 per cent) compared to the latest estimates for 2022. National Committees

and country offices continue to be confident about their donor base for regular giving, especially as National Committees plan to invest in the conversion of emergency donors to regular giving donors.

60. Total OR revenue in 2023 is projected to be \$1,110.8 million. This is \$255.7 million (or 30 per cent) more than the projected OR revenue of \$855.1 million for 2022, and \$771.4 million (or 41 per cent) less than the latest estimates for 2022. Given the uncertainty around major humanitarian crises such as the COVID-19 pandemic and the war in Ukraine, it is difficult to project ORE revenue with accuracy. UNICEF is confident that private sector support to emergencies will remain strong into 2023 and projects ORE revenue of \$300 million.

61. The strategies that support the achievement of these revenue targets are detailed in section IV.

C. Expenditures

62. Total PFP expenditures for the institutional budget (development effectiveness and management costs) and the proposed special purpose budget total \$240.9 million in 2023. The proposed special purpose RR budget is maintained as submitted in the UNICEF integrated budget, 2022–2025.

63. The following principles were established in preparing the PFP budget for 2023:

(a) ensuring zero growth in operational costs compared with the 2022 approved budget;

(b) promoting further consolidation of previous changes to the organizational structure and minimizing additional changes;

(c) implementing ongoing and new organizational initiatives and priorities assigned to the Division.

1. Development effectiveness costs (institutional budget)

64. In PFP, development effectiveness costs refer to the costs of the management of the strategic relationship with the National Committees. The approved development effectiveness budget for 2023 is \$5.0 million, or \$0.1 million higher than the 2022 budget. This increase is due to the revision of standard post costs. The approved development effectiveness budget for 2023 remains within the institutional budget ceilings approved as part of the UNICEF integrated budget, 2022–2025.

2. Management costs (institutional budget)

65. In PFP, management costs refer to the costs of the activities of the Director's Office and the Strategic Planning and Operations and Finance sections. The approved management budget has increased by \$0.9 million to \$9.5 million in 2023 as compared to the budget approved in 2022. This net increase is due to the revision of standard post costs and a transfer of three posts from the Geneva Common Services institutional budget following an information and communication technology review.

3. Special purpose costs

66. Special purpose costs are defined as the costs of cross-cutting activities that:

(a) involve material capital investments; or

(b) do not represent a cost related to the management activities of the organization.

67. Special purpose costs in PFP refer to the costs of the activities of PSFR and partnerships, country office support, communication and marketing, engagement with

the private sector (including advocacy and development finance) and procurement. They also include investment fund costs. Special purpose costs are funded by both an RR allotment and an OR ceiling.

68. The proposed special purpose RR budget for 2023 is \$160.3 million.

69. Compared with the 2022 approved budget, the special purpose RR budget for 2023 has increased by \$2.7 million due to the increase in standard post costs. The special purpose RR is unchanged from the submission in the UNICEF integrated budget, 2022–2025.

70. Investments in fundraising in the proposed special purpose RR budget for 2023 total \$85.0 million. Further investments in fundraising will be financed from the Dynamo Revolving Fund, which has been capitalized with RR funding of \$20 million. The Division will pursue further capitalization of the fund as described in the document entitled The Dynamo Revolving Fund for investment in private sector fundraising ([E/ICEF/2021/AB/L.1/Add.1](#)).

71. Operating expenditures in the proposed special purpose RR budget for 2023 total \$75.3 million.

72. Investments – in human resources, infrastructure and campaigns – are necessary to raise funds and secure partnerships, and have been a critical factor in UNICEF securing its place as a world leader in private sector fundraising. UNICEF follows an investment strategy to support the achievement of its key expected result to diversify and accelerate private sector income growth towards total net revenue of \$8.3 billion for the Strategic Plan period, 2022–2025.

73. Special purpose costs covered by OR represent a ceiling (as opposed to a budget allotment) of \$66 million to cover direct fundraising costs in country offices that have PSFR activities. The amount of the budget ceiling is dependent on the fundraising revenue of a country office, as the office may use up to 25 per cent of gross revenue to cover fundraising costs. However, the maximum ceiling may not be implemented if the corresponding revenue is not achieved.

74. Compared with 2022, the special purpose OR ceiling for 2023 has increased by \$6 million (10 per cent). The ceiling increase for 2023 is related to new resources required for revenue generation and the implementation of new investment modalities for country and regional offices, such as the World Bank financial instrument and the Dynamo Revolving Fund.

75. The number of posts funded by special purpose RR revenue will increase from 243 posts in 2022 to 260 posts in 2023. The change in the number of posts aligns with the strategic priorities for 2022–2025 that require scaling up digital fundraising and optimizing multiple fundraising streams. Simultaneously a massive increase in revenue and the number of donors require additional resources to manage the relationships and support functions. During the last two years, these functions were handled with non-post resources; however, to ensure sustainability and efficiency, PFP needs to reorganize this area by establishing additional fixed-term positions in various locations, which will be offset from the non-post budget.

76. The number of posts funded by special purpose OR revenue increased from 340 posts to 358 posts in 2022. The increase is aligned with the increased revenue from country offices in 2022. The Director, Private Fundraising and Partnerships, and the respective regional directors, share the responsibility for approval of these posts, which are included in the organizational structure of the country offices. The special purpose OR ceiling and expenditures for the posts are respectively presented in the Private Fundraising and Partnerships workplan and proposed budget and the Private Fundraising and Partnerships financial report.

D. Net private sector surplus

77. The net private sector surplus for 2023, after deducting PFP expenditures, is projected to be \$1.63 billion, which is \$247.1 million (18 per cent) higher than the net private sector surplus in the approved budget for 2022 and \$626.7 million less than the latest estimates for 2022.

Table 3
UNICEF Private Sector Plan 2022–2025: IMPACT for Every Child: Range of budgeted revenue and expenditure, 2023
 (in millions of United States dollars^a)

	<i>I (low projection)</i>	<i>II (medium projection)</i>	<i>III (high projection)</i>
Private sector revenue			
National Committees	1 367.9	1 519.9	1 671.8
Country offices	314.2	349.1	384.0
Total private sector revenue	1 682.0	1 869.0	2 055.8
Private Fundraising and Partnerships (PFP) expenditures			
A. Development effectiveness costs	5.0	5.0	5.0
National Committee relations	5.0	5.0	5.0
B. Management costs	9.5	9.5	9.5
Director's Office and Strategic Planning	1.7	1.7	1.7
Operations and Finance	7.8	7.8	7.8
C. Special purpose costs	223.5	226.3	226.3
Private sector fundraising and partnerships	43.5	44.4	44.4
Country office support ^a	8.2	8.4	8.4
Country office direct fundraising costs	65.7	67.0	67.0
Communication and marketing	11.8	12.1	12.1
Procurement	1.5	1.6	1.6
Private sector engagement	7.7	7.9	7.9
Investment in fundraising	85.0	85.0	85.0
Total PFP expenditures	238.1	240.9	240.9
Licensing/sales expenditures of National Committees	0.0	0.0	0.0
Net private sector surplus	1 444.0	1 628.1	1 814.9

Country office support costs include the Country Office Development and Support Unit and the regional support centres.

The numbers may not add up due to rounding.

Table 4
**Financial projections for the UNICEF Private Fundraising and Partnerships
Private Sector Plan 2023–2024**
(in millions of United States dollars^a)

	2021 actual results	2022 approved budget	2022 latest estimates	2023 proposed budget	2024 ^a projection
Private sector revenue					
Revenue from greeting cards and products	2.2	5.0	–	–	–
Private sector fundraising contributions	2 075.9	1 643.8	2 531.7	1 869.0	2 087.0
National Committees	1 755.6	1 342.1	2 156.6	1 519.9	1 697.4
Country offices	320.3	301.7	375.1	349.1	389.6
Total private sector revenue	2 078.1	1 648.8	2 531.7	1 869.0	2 087.0
Private Fundraising and Partnerships (PFP) expenditures					
A. Development effectiveness costs	4.1	4.9	4.1	5.0	5.2
National Committee relations	4.1	4.9	4.1	5.0	5.2
B. Management costs	7.6	8.7	6.7	9.5	9.9
Director's Office and Strategic Planning	1.5	1.6	1.5	1.7	1.8
Operations and Finance	6.1	7.0	5.2	7.8	8.2
C. Special purpose costs	228.2	253.6	266.1	226.3	237.3
Private sector fundraising and partnerships	32.6	41.9	42.9	44.4	46.1
Country office support ^b	6.1	7.6	8.8	8.4	8.7
Country office direct fundraising costs	63.3	61.0	73.1	67.0	75.2
Communication and marketing	9.7	11.2	9.0	12.1	12.6
Procurement	1.1	1.5	1.2	1.6	1.6
Engagement with the private sector, including advocacy and development finance	7.5	9.4	6.4	7.9	8.2
Investment in fundraising	108.0	121.0	124.6	85.0	85.0
Total PFP expenditures	239.9	267.1	276.9	240.9	252.4
Sales/licensing expenditures of National Committees	0.3	0.7	–	–	0.7
Sales/impairment	0.1	–	–	–	–
PFP foreign exchange gains (losses)	–	–	–	–	–
Net private sector surplus	1 837.8	1 381.0	2 254.8	1 628.1	1 833.9

^a Projections are tentative and therefore subject to change.

^b Country office support costs include the Country Office Development and Support Unit and regional support centres.

VI. Human resources: Post changes

78. In 2023, PFP is proposing the creation of 17 additional posts funded by special purpose RR, all of which are related directly to revenue generation. There are 14 additional posts changes at headquarters locations such as Geneva, Panama and Tokyo. The number of posts funded by the PFP budget is proposed to be 670

worldwide. Of this total, 48 posts are funded by the institutional budget, 260 by special purpose RR and 362 by special purpose OR. Of the total number of posts, 214 are in Geneva and 456 are in other headquarters locations, regional and country offices and support centres.

79. A summary of the post changes proposed for 2023 is provided in the annex to the present document.

VII. Draft decision

The Executive Board

1. *Notes* the high, medium, and low revenue scenarios for 2023, as shown in table 3 of document E/ICEF/2023/AB/L.1;

2. *Approves* a budget for special purpose activities of \$160.3 million from regular resources, comprising \$85 million for investment funds and \$75.3 million for other private sector fundraising costs, and the establishment of an other resources ceiling of \$66 million based on the medium scenario in table 3;

3. *Authorizes* UNICEF:

(a) To redeploy resources between the various regular resources budget lines (as detailed in paragraph 1, above), up to a maximum of 10 per cent of the amounts approved;

(b) To decrease or increase expenditures up to the levels indicated in columns I and III of table 3 of document E/ICEF/2023/AB/L.1 should the apparent revenue from fundraising decrease or increase to the levels indicated in columns I and III;

(c) To spend an additional amount between Executive Board sessions, when necessary, up to the amount caused by currency fluctuations, to implement the 2023 approved workplan;

4. *Encourages* the Executive Director to identify and respond to new market opportunities, should they arise, between Executive Board sessions and to notify the Board accordingly;

5. *Approves* an interim one-month allocation for January 2024 of \$16.0 million (or 10 per cent of the special purpose regular resources allocation of \$160.3 million), to be absorbed into the annual Private Fundraising and Partnerships budget for 2024.

Annex

Summary of post changes proposed for 2023

Detail	Post levels							Total			Grand total
	D2	D1	P6	P5	P4	P3	P2	IP	NO	GS	
Base post authorization table: 2022 approved	1	5	2	25	75	85	12	205	–	43	248
Private Fundraising and Partnerships (PFP) headquarters											
Approved 2022	1	5	2	25	75	85	12	205	–	43	248
Post changes 2023											
Management	–	–	–	–	1	-1	–	–	–	–	–
Development effectiveness	–	–	–	–	–	–	–	–	–	–	–
Special purpose	–	–	-1	3	4	7	1	14	–	–	14
Proposed 2023	1	5	1	28	80	91	13	219	–	43	262
Change vs. 2022 approved	–	–	-1	3	5	6	1	14	–	–	14
Regional support centres and UNICEF country offices (Special purpose)											
Approved 2022	–	–	–	4	14	10	–	28	3	12	43
Post changes 2023	–	–	–	–	–	1	1	2	–	1	3
Proposed 2023	–	–	–	4	14	11	1	30	3	13	46
Change vs. 2022 approved	–	–	–	–	–	1	1	2	–	1	3
Total PFP regular resources											
Approved 2022	1	5	2	29	89	95	12	233	3	55	291
Proposed 2023	1	5	1	32	94	102	14	249	3	56	308
Change vs. 2022 approved	–	–	-1	3	5	7	2	16	–	1	17
PFP headquarters: other resources (Special purpose)											
Approved 2022	–	–	–	–	4	–	–	4	–	–	4
Post changes 2023	–	–	–	–	-1	1	–	–	–	–	–
Proposed 2023	–	–	–	–	3	1	–	4	–	–	4
Change vs. 2022 approved	–	–	–	–	-1	1	–	–	–	–	–
UNICEF country offices: other resources (Special purpose)											
Approved 2022	–	–	–	2	11	6	1	20	164	156	340
Post changes 2022 latest estimates	–	–	–	–	–	–	–	–	14	4	18
Proposed 2023	–	–	–	2	11	6	1	20	178	160	358
Change vs. 2022 approved	–	–	–	–	–	–	–	–	14	4	18
Total PFP other resources											
Approved 2022	–	–	–	2	15	6	1	24	164	156	344
Proposed 2023	–	–	–	2	14	7	1	24	178	160	362
Change vs. 2022 approved	–	–	–	–	-1	1	–	–	14	4	18
Total PFP											
Approved 2022	1	5	2	31	104	101	13	257	167	211	635
Proposed 2023	1	5	1	34	108	109	15	273	181	216	670
Change vs. 2022 approved	–	–	-1	3	4	8	2	16	14	5	35

Note: D = Director level; IP = International Professional; NO = National Officer; GS = General Service.